

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02 OMB-01

AGRE-00 PA-01 PRS-01 SS-15 NSC-05 /070 W

-----160115Z 048972 /73

P 160023Z MAR 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 909

INFO TREASURY WASHDC PRIORITY

LIMITED OFFICIAL USE MEXICO 3227

EO 11652 : N/A

TAGS : EFIN MX

SUBJ : REPORT ON MEXICAN BANKER'S CONVENTION

REF : MEXICO 3051

1. EMBASSY FINANCIAL ATTACHE ATTENDING ANNUAL MEXICAN BANKER'S CONVENTION IN ACAPULCO THIS WEEK REPORTS THAT ATMOSPHERE OF CONVENTION GENERALLY GOOD AT LEAST IN COMPARISON WITH PREVIOUS CONVENTIONS UNDER ECHEVERRIA ADMINISTRATION. THERE WERE NO SURPRISES WITH FINANCE SECRETARY MOCTEZUMA CID'S ADDRESS FOLLOWING LINES REPORTED REFTEL. BANKERS WERE ENCOURAGED BY HIS SPEECH AND THAT OF ROMERO KOLBECK, DIRECTOR GENERAL OF BANK OF MEXICO. BANCO DE MEXICO TOOK UNUSUAL STEP OF PUBLISHING ENTIRE TEXT OF KOLBECK'S SPEECH IN MAJOR METROPOLITAN NEWSPAPERS.

2. MOCTEZUMA CID ANNOUNCED PACKAGE OF ECONOMIC MEASURES INCLUDING LOWER RESERVE REQUIREMENTS, THE PETRO-BOND ISSUE, MORE "FLEXIBLE" INTEREST RATES, "SIMPLIFIED" SAVINGS INSTRUMENTS, AND MEASURES TO ENCOURAGE TRADE ON MEXICAN STOCK EXCHANGE. NO DETAILS OR EXPLANATION OF HOW MEASURES WOULD BE IMPLEMENTED WERE GIVEN. HOWEVER,  
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HE STATED THAT REGULATIONS GOVERNING NEW SAVINGS INSTRUMENTS AND STOCK EXCHANGE WILL BE PUBLISHED WITHIN NEXT FEW DAYS.

3. HE REVIEWED MEASURES ALREADY TAKEN BY JLP GOVERNMENT TO SET FINANCES ON SOUNDER FOOTING. HE ENDED BY SAYING THAT COUNTRY'S GENERAL ECONOMIC SITUATION SEEMS TO HAVE

IMPROVED AND THAT THE NATION BASED ITS SOLVENCY ON ITS  
NATURAL RESOURCES, PETROLEUM, COFFEE AND TOURISM.

4. KOLBECK'S SPEECH WAS SHORT AND FACTUAL COMPARED TO  
MOCTEZUMA'S MORE ORATORY TONE. HE CALLED ATTENTION TO  
FACT THAT DOMESTIC BANKS HAD SHOWN AN AVERAGE WEEKLY  
INCREASE IN ASSETS DURING THE LAST TWO MONTHS OF ABOUT  
1,500 MILLION PESOS, COMPARED TO 164 AND 244 MILLION IN  
1976 AND 1975 RESPECTIVELY; THE INCREASES IN EXPORTS  
WHICH SOME AGRICULTURAL AND PETROLEUM PRODUCTS HAD  
GENERATED, AND INCREASES IN PRODUCTIVE CAPACITY OF  
CERTAIN INDUSTRIAL SECTORS. HE ALSO STATED THAT THE  
FEBRUARY CPI INCREASED ONLY 2.2 PERCENT COMPARED TO AN  
AVERAGE OF 4.0 PERCENT MONTHLY DURING THE LAST FOUR  
MONTHS OF 1976. HE ALSO ANNOUNCED THAT THE BANK'S  
RESERVES AT THE END OF LAST WEEK HAD ATTAINED 1,617  
MILLION DOLLARS AFTER HAVING LIQUIDATED THE LOANS OF THE  
FEDERAL RESERVE AND U.S. TREASURY. HE WENT ON TO STATE  
THAT ARRANGEMENTS WOULD BE MADE THROUGH ADJUSTMENTS IN  
RESERVE REQUIREMENTS TO FREE AN INITIAL 2,000 MILLION OF  
PESOS FOR ADDITIONAL CREDIT TO THE GOVERNMENT'S PROGRAMS  
OF BASIC ARTICLES AND ALLIANCE FOR PROGRESS.

5. COMMENT: SPEECHES WERE GENERALLY WELL RECEIVED WITH  
PARTICULAR INTEREST SHOWN IN CHANGES IN RESERVE REQUIRE-  
MENTS AND INTEREST RATES, BUT THIS SOMEWHAT MODERATED BY  
LACK OF DETAIL. SPEECHES NOTABLE FOR FACTUAL CONTENT AND  
HONEST APPROACH TO MEXICAN DIFFICULTIES COMPARED TO THOSE  
OF PREVIOUS YEARS. PRIVATE SECTOR OBVIOUSLY FLATTERED  
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BY GENERAL TONE OF "LET'S ALL WORK TOGETHER".  
THOMPSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 22 May 2009  
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**Original Classification:** LIMITED OFFICIAL USE  
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**Review Markings:**  
Margaret P. Grafeld  
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